

EXPENSES OF COLLECTING REVENUE FROM CUSTOMS.

LETTER

FROM

THE SECRETARY OF THE TREASURY,

TRANSMITTING

A statement of the expenses of collecting the revenue from customs during the fiscal year ending 30th June, 1846.

FEBRUARY 8, 1847.

Read, and referred to the Committee of Ways and Means.

TREASURY DEPARTMENT,
February 8, 1847.

SIR: On the 10th of August last, the following resolution was adopted by the House of Representatives:

"*Resolved*, That the Secretary of the Treasury cause to be prepared, and communicated to this House at the commencement of the next session, a statement of the cost of collecting the revenue from customs for the year ending the 30th of June, 1846, arranging the several items of expenditure under distinct and appropriate heads.

"*Resolved, further*, That the said Secretary also communicate to this House, at the same time, estimates of the sums of money which will be necessary to defray the expenses of collecting the revenue from customs for the latter half of the present year, and for the next fiscal year, arranging the same under separate and appropriate heads, so that Congress may, if it think proper, bring this branch of the public expenditure more within its control than it is under the existing law; and that he report the expense of collecting the revenue in each collection district separately.

"*Resolved, further*, That the heads of the several executive departments be, and they are hereby, required to inform this House, at the commencement of the next session, whether any and what changes can be made in the several branches of the public service, by which greater economy and more or equal efficiency be secured in their administration."

On the 2d of September this resolution was referred to the Register of the Treasury for a report to this department. On the 7th of December last, by letter of that date from the Register of the Treasury, a detailed report was by him communicated, which is hereto annexed, marked A.

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The expenses are arranged under eleven separate heads, and the expenditures for each one of the collection districts of the Union are given separately under each of these heads. On a thorough examination of these expenditures, and of the different items, in detail, in the several ports of the Union, it is believed that the opinions heretofore expressed in relation to the expenses of collecting the revenue, and subjecting the same to appropriations made by law, can be carried into practical effect without detriment to the public service.

On the 16th of March last, by letter addressed by this department to the chairman of the Committee of Ways and Means of the House of Representatives, (a copy of which is hereto annexed, marked B,) the attention of that committee was respectfully invited to this important subject; and it was then recommended "that a clause be inserted in the new tariff bill, limiting the expenses of collecting the revenue under this bill to a sum not exceeding one million five hundred and twenty thousand dollars."

In that letter the following opinion was expressed by this department:

"In my opinion, the expenses incident to the collection of the revenue should be regulated by specific appropriations, and the payments made subject to the checks applicable to the settlement of other accounts"

On the 25th of May following, by a letter to the chairman of the same committee, (a copy of which is hereto annexed, marked C,) the attention of the committee was again respectfully invited to the same important subject. In that letter this department expressed the following opinion:

"Having been informed by you that the suggestions made in my letter of the 16th of March last, so far as required the limitation of the expenses incident to the collection of the revenue, and the regulation of the same by law, met the approbation of the Committee of Ways and Means, I enclose a provision for carrying these suggestions into effect.

"This provision, it is believed, should be appended as a new section to the bill reported to the committee for reducing the duties on imports."

"If that bill should not become a law, and the provisions of the present tariff remain unaltered, the expenses incident to the collection of the revenue, including drawbacks, fishing bounties and allowances, cannot, with safety, be limited to the sums now proposed by this department."

It was in pursuance of these suggestions that the resolution of the 10th of August last was adopted. It will be perceived, by reference to the communications of the 16th of March and 25th of May last, that this department then entertained and expressed the opinion, 1st, that under the new tariff the expenses of collecting the revenue might be reduced to the sum of \$1,520,000; 2d, that these expenses should be rendered subject to appropriations made by law; 3d, that an act of Congress was then deemed necessary to carry these great reforms fully into effect; 4th, that the propriety of embracing such an enactment in the tariff of 1846 was suggested to the committee, and a section submitted for that purpose; 5th, that it was believed this great reduction could not take place to the full extent, unless accompanied by the enactment of the tariff of 1846. This act having gone into effect on the 1st of December last, it is believed by this department that these great reforms may be carried into full effect, and, with the co-operation of Congress, the sum of half a million of dollars a year may be saved to the treasury, without any detriment to the public service. To effect this object the department would propose that, under the head of "inspectors, &c.," in table A, the amount should be reduced from

\$960,397 98 to \$860,000; under the head of "appraisers and appraisements," from \$164,435 02 to \$140,000; under the head of "revenue boats," from \$83,871 06 to \$50,000; under the head of "revenue cutters," from \$497,855 01 to \$200,000; under the head of "contingent expenses," from \$101,404 12 to \$90,000; and the item of \$6,583 27, for "extra clerk hire," be entirely discontinued in future; making a total reduction, as compared with the last fiscal year, of \$474,546, and of \$526,367 compared with the year preceding.

In one respect this department has seen cause, after a full examination of all the details of the expenses of collecting the revenue at each of the ports of the Union, to modify, to some extent, the opinions heretofore expressed. It is now believed, after a most laborious examination of the subject, and of all the laws relating thereto, that nearly the whole object, to a great extent, can be accomplished under the powers now vested by law in this department. But the remedy would be more effectual and complete if applied by Congress, and it was considered most respectful to invite their attention to the subject; but if, from any cause, during the remainder of the present short session, Congress shall postpone the consideration of the subject, this department will, by circular instructions addressed to the collectors and other officers of the customs, proceed to reduce the expenses to the utmost limit within its power, without detriment to the public service. It will also proceed to direct the expenditures, as in all other cases, to be subjected to the revision of the accounting officers of the treasury, as in cases of other appropriations made by law, unless such action should be forbidden by Congress during its present session. No such power having ever heretofore been exercised by this department, it was supposed by me that a special act of Congress might be necessary to confer the authority, and that course would still be deemed preferable. It is believed, however, after a thorough examination of the subject in all its details, and on a review of all the laws in relation to the matter, that the power is possessed, to a great extent, by this department, and it will proceed to exercise this authority immediately after the close of the present session, unless Congress shall act otherwise on the subject. It will be perceived, by reference to table A, that nearly half a million of these expenditures have been occasioned by the fulfilment of contracts, made by previous administrations, for the building and finishing of revenue steam cutters. On coming into office in March, 1845, the opinion of the Attorney General was taken by this department as to whether it was bound by law to carry these contracts into effect—the building of all the vessels having already commenced. The opinion of that officer was, that the department was bound by law to carry these contracts into effect; and this being in conformity with my own opinion of the law, has been the cause why so large an expenditure has been unavoidably included under the head of revenue cutters. This cause of expenditure having now ceased, it is the opinion of this department that the expenses for the administration of the system of revenue cutters may be reduced to a sum not exceeding \$200,000 per annum; and it will be so reduced by this department.

Under the several heads designated as before stated, this department shall also proceed, in the absence of any law to the contrary, to carry out the several reductions therein proposed. Economy in the public expenditures, which is regarded at all times by this department as a solemn duty, is still more imperative upon it when the country is involved in war,

when the expenditures are unusually and largely augmented, and all the credit of the nation is required to negotiate heavy loans to pay the public expenditures. It is hoped that Congress will legislate on this subject in aid of the views of the department; but in any event, it will proceed, unless Congress shall otherwise determine in the mean time, immediately after the close of its present session, to carry into full effect the reduction and reforms indicated in this report. It is not pretended by this department that it has the power to dispense with an officer whose services are required for a particular purpose by act of Congress, nor is it believed that it has the power to reduce any salary which is fixed by law; but where the number of officers is discretionary, or the compensation is not fixed by law, after a most full and deliberate examination of the subject, and of all the laws enacted in regard thereto, and of the construction placed upon them by my predecessors in office, it is my opinion that the power thus to reduce the expenditures, and to subject them to the revision and adjustment of the accounting officers of the treasury, is vested by law in this department; and unless otherwise directed by law, it will proceed to carry that power into full effect, and to report its action upon the same, with the hope that it will receive the approbation of Congress.

Whilst reducing the expenses of collecting the revenue under the several heads, including that of appraisers and appraisements, this department would respectfully suggest a provision for the employment of three clerks, of skill and experience, at the Treasury Department, for the supervision of appraisements, the occasional examination of samples and invoices, the prevention of fraud and under-valuations, and the securing uniformity in appraisements throughout the Union. If it were known throughout the country to all importers, as well as others, that invoices and appraisements were revised at the treasury, it is believed it would be highly useful in securing honest invoices and fair valuations, in the prevention of fraud or neglect, in saving a large sum to the treasury, and in obtaining uniformity in appraisements throughout the Union. As all our duties are now collected by the system of ad valorem, and the collection of the whole revenue depends upon fair and honest valuations, the importance of such a provision is earnestly recommended to the consideration of Congress. It is believed that this department now has the power to detail appraisers' clerks for such purposes, to co operate with the Treasury Department in perfecting the appraisement system; and this power will be exercised, unless forbidden by law.

But it would be far preferable that Congress should legislate specifically upon the subject. Already many new guards have been interposed against unfair or fraudulent invoices or valuations; and with this additional precaution, and a constant and vigilant supervision of appraisements at the treasury, it is fully believed that the system of duties entirely ad valorem can be carried into complete effect, and that, with the system thus administered, whilst the revenue will be increased, the public prosperity will at the same time be greatly augmented.

In relation to the remaining branch of the resolution, so far as regards any change in the organization of this department, the following suggestions are respectfully made for the consideration of Congress:

That the chief clerk of the Treasury Department shall be called Assistant Secretary, and that he shall receive an annual salary of three thousand dollars, instead of two thousand, as now fixed by law; and that he shall

perform such additional duties as shall be assigned him by the Secretary of the Treasury, and also perform the duties of Acting Secretary of the Treasury in the absence or during the sickness of the Secretary; and that he shall have assigned to him a clerk, at a salary of one thousand dollars per annum, to aid him in the discharge of his duties. By this arrangement, whilst an additional expense of two thousand dollars per annum only would be incurred, it is believed that a very large amount might be saved to the treasury, and the duties of the department more promptly and efficiently performed, and with great advantage to the public service. The duties of the treasury have augmented in a ratio far exceeding the increase of population; and as the system is at present organized, a very large portion of the time of the Secretary, which ought to be devoted to general supervision, and to the more important duties of the office, must be given to mere details. It is believed that the duties of the department have more than doubled within the last few years; and for some time past he has been required to sign his name, upon an average, several hundred times each day. By the change proposed, it is not desired that the Secretary shall devote less of his time to the public service, but that he shall have more time to bestow upon general supervision, and the more important duties of the office, and less to mere details. As the law now stands, the details of the office, which could be performed by an Assistant Secretary, occupy several hours every day, and interfere seriously with those more important duties to which the attention of the Secretary could otherwise be directed with great advantage to the public interest.

In relation to the clerks in the several bureaus of the treasury, it is respectfully recommended that in all cases, before the appointment of any clerk, or his assignment to duty in any one of the bureaus, he shall first be carefully examined by at least three of the accounting officers of the Treasury Department, who shall report in writing upon his fitness for the particular station or duty, to the Secretary of the Treasury, before any such appointment or assignment can be made. It is believed that in this way the services of the most efficient and competent persons could be secured as clerks in the Treasury Department; and, connected as they are with accounts amounting to many millions of dollars per annum, are of great importance and responsibility. Great confidence must necessarily be reposed in the integrity, capacity, and vigilance of clerks in this department, in order that the public business may be promptly transacted; and with the view that no expenditure may be made which is not authorized by law, it is believed that the mode suggested would be more likely to secure the services of faithful and capable persons, than any other which can be recommended. This matter is believed to be of great importance, and well deserves the immediate consideration of Congress.

Most respectfully, your obedient servant,

R. J. WALKER,
Secretary of the Treasury.

Hon. JOHN W. DAVIS,
Speaker of the House of Representatives.

A.—Statement of the expenses of collecting the revenue from customs during the fiscal year ending 30th June, 1846; the several items of expenditures arranged under distinct and appropriate heads: in pursuance of a resolution of the House of Representatives passed August 10, 1846.

District.	Inspectors, &c.	Naval officers.	Surveyors.	Appraisers and ap- praisements.	Collector's salary and commission.	Revenue boats.	Revenue cutters.	Payments for sto- rage.	Contingent expen- ses.	Extra clerk hire.	Weights and meas- ures.	Total.
Passamaquoddy	\$11,501 61	-	\$500 00	-	\$770 85	\$1,166 87	\$12,017 53	-	\$429 24	-	-	\$26,386 10
Machias	1,765 20	-	-	\$20 00	264 60	868 58	-	-	39 20	-	-	2,957 58
Frenchman's Bay	2,233 00	-	-	-	150 00	1,107 95	-	-	122 00	-	-	3,612 95
Penobscot	4,708 83	-	-	-	368 36	4,087 03	-	\$20 00	171 21	-	-	9,355 43
Waldoborough	4,524 08	-	-	-	275 12	-	-	40 00	347 15	-	-	5,186 35
Bath	7,641 54	-	-	-	306 98	1,675 28	-	75 00	18 64	-	-	9,717 44
Portland	13,073 65	-	150 00	333 00	1,300 65	512 00	9,875 08	-	340 81	-	-	25,585 19
Belfast	5,115 07	-	-	10 00	593 06	3 85	-	16 00	154 87	-	-	5,892 85
Kennebunk	612 00	-	-	-	-	7 75	-	-	22 47	-	-	642 22
Saco	504 00	-	-	-	250 00	18 31	-	-	11 85	-	-	784 16
York	306 50	-	-	-	250 00	-	-	-	3 80	-	-	560 30
Wiscasset	4,181 06	-	-	-	341 13	1,753 13	-	25 00	236 56	-	-	6,536 88
Portsmouth	6,552 78	\$200 00	250 00	-	150 71	40 00	1,010 00	-	412 30	-	-	8,615 79
Vermont	5,786 66	-	-	-	1,086 97	648 00	-	-	331 73	-	-	7,853 36
Newburyport	4,240 60	149 91	500 00	67 83	1,575 41	494 15	-	-	33 05	-	-	7,060 95
Gloucester	3,667 36	-	250 00	-	572 84	258 24	-	15 00	227 42	-	-	4,990 86
Marblehead	1,603 70	-	100 00	-	41 17	207 01	-	19 47	23 34	-	-	1,994 69
Salem and Beverly	9,552 79	150 00	400 00	610 00	1,425 59	885 87	-	-	73 02	\$730 00	-	13,827 27
Plymouth, Mass.	3,162 95	-	-	-	195 04	14 74	-	18 00	14 74	-	-	3,390 73
Barnstable	2,404 84	-	-	-	41 27	77 66	-	-	42 41	-	-	2,566 18
Fall River	4,847 47	-	-	-	1,008 99	690 49	-	8 00	215 30	-	-	6,770 25
New Bedford	4,643 05	-	-	-	270 53	561 28	959 06	-	268 69	500 00	-	7,202 61
Edgartown	1,768 00	-	-	-	250 00	781 48	-	-	48 86	-	-	2,848 34
Boston	129,562 89	-	-	20,437 52	11,256 94	3,334 89	62,821 23	9,116 25	12,097 49	-	-	248,627 21
Nantucket	1,009 82	-	-	15 00	249 92	204 46	-	-	20 71	-	-	1,499 91
Newport	3,473 79	250 00	950 00	10 00	225 50	1,216 68	13,989 70	-	48 52	-	-	20,164 19
Bristol and Warren	2,455 33	-	500 00	-	326 77	389 33	-	-	95 62	-	-	3,767 05

Providence	8,046 11	250 00	450 00	20 00	562 18	872 31	-	-	132 92	725 27	-	11,058 79
New London	2,096 00	-	250 00	10 00	83	816 07	19,804 08	-	272 85	-	-	23,249 83
Stonington	800 00	-	150 00	-	250 00	409 00	-	-	20 98	-	-	1,629 98
New Haven	7,044 91	-	200 00	-	2,019 30	264 96	868 52	100 00	1,117 62	-	-	11,615 31
Middletown	2,199 55	-	674 30	-	499 49	171 95	-	100 00	255 78	-	-	3,901 07
Fairfield	1,682 87	-	-	-	566 04	117 00	-	13 91	41 67	-	-	2,421 49
Oswegatchie	3,861 50	-	-	-	1,458 41	120 00	-	-	41 61	-	-	5,481 52
Champlain	5,300 00	-	-	-	1,047 32	495 20	-	-	222 24	100 00	-	7,164 76
Sackett's Harbor	9,388 50	-	-	18 00	715 20	3,009 29	-	-	74 03	-	-	13,205 02
Niagara	4,720 00	-	-	20 50	1,402 12	660 00	-	-	790 85	-	-	7,593 47
Cape Vincent	3,031 50	-	-	-	1,033 08	-	-	-	57 79	-	-	4,122 37
Oswego	5,803 32	-	-	30 00	942 90	353 49	13,253 77	75 00	421 70	-	-	20,880 18
Sag Harbor	339 00	-	-	-	403 35	8 75	-	-	14 79	-	-	765 89
Genesee	3,650 00	-	-	3 00	783 75	656 38	-	50 00	32 29	-	-	5,175 42
Buffalo	15,395 16	-	-	11 00	1,916 86	904 00	10,706 90	250 00	417 68	-	-	29,601 60
New York	334,225 14	-	518 75	115,547 90	29,975 77	14,135 24	138,110 85	15,567 35	27,930 98	-	-	676,011 98
Little Egg Harbor	465 00	-	-	-	250 00	410 00	-	-	24 37	-	-	1,149 37
Bridgetown	-	-	-	-	250 00	-	-	-	22 75	-	-	272 75
Newark	504 00	-	-	-	250 14	97 00	-	-	9 72	-	-	860 86
Perth Amboy	3,327 00	-	150 00	-	250 02	76 49	-	-	66 23	-	-	3,869 74
Burlington	-	-	150 00	-	-	-	-	-	1 95	-	-	151 95
Great Egg Harbor	291 00	-	-	-	250 00	226 02	-	16 00	19 90	-	-	802 92
Camden, N. J.	-	-	250 00	-	-	-	-	-	-	-	-	250 00
Presqu'isle	604 00	-	-	-	370 74	-	5,775 12	60 00	233 86	-	-	7,013 72
Pittsburg	-	-	350 00	-	-	-	-	100 00	110 23	-	-	560 23
Philadelphia	60,760 29	-	-	8,358 48	9,199 94	5,925 67	65,361 17	7,268 11	31,430 97	-	-	188,304 63
Delaware	4,359 69	-	-	-	500 00	803 60	20,098 77	100 00	809 78	-	-	26,671 84
Baltimore	34,244 73	-	-	5,612 62	3,016 03	4,786 57	29,132 26	1,537 97	14,112 68	1,278 00	\$12,000	105,720 86
Annapolis	1,095 00	-	637 50	-	250 00	325 63	-	60 00	5 88	-	-	2,374 01
Vienna	-	-	312 50	-	200 00	-	-	-	14 66	-	-	527 16
Oxford	-	-	-	-	250 00	-	-	-	11 88	-	-	261 88
Town Creek	-	-	150 00	-	-	-	-	-	90	-	-	150 90
Georgetown, D. C.	2,067 21	-	-	-	831 83	75 00	-	60 00	144 08	-	-	3,178 12
Alexandria	4,194 77	-	300 00	-	262 06	531 97	-	-	35 44	-	-	5,324 24
Tappahannock	330 00	-	1,050 00	-	263 10	182 27	-	-	8 28	-	-	1,833 65
Richmond	4,379 40	-	-	-	484 28	50 00	6,558 77	423 30	28 88	-	-	11,924 63
Petersburg	2,695 98	-	300 00	-	171 87	180 00	-	150 00	186 26	550 00	-	4,234 11
Yorktown	-	-	400 00	-	199 60	100 00	-	-	35 66	-	-	735 26
Yeocomico	-	-	-	-	150 00	340 48	-	-	-	-	-	490 48
Cherrystone	-	-	287 78	-	200 09	-	-	-	1 71	-	-	489 58
Norfolk	6,761 15	-	750 00	20 00	557 51	963 03	16,075 41	-	208 02	614 00	-	25,949 12
Wheeling	-	-	349 98	-	-	-	-	-	4 15	-	-	354 13

A—Continued.

8

Districts.	Inspectors, &c.	Naval officers.	Surveyors.	Appraisers and appraisements.	Collector's salary and commission.	Revenue boats.	Revenue cutters.	Payments for storage.	Contingent expenses.	Extra clerk hire.	Weights and measures.	Total.
Camden, N. C.	\$549 21	-	-	\$5 00	\$269 73	-	-	-	\$18 43	-	-	\$842 37
Newbern	531 96	-	-	-	146 73	-	-	-	123 44	-	-	802 13
Beaufort, N. C.	170 92	-	-	30 00	267 85	\$163 06	-	\$6 00	17 21	-	-	655 07
Washington, N. C.	467 98	-	-	-	567 97	-	-	-	54 77	-	-	1,090 72
Plymouth, N. C.	312 44	-	\$106 25	-	266 40	3 50	-	-	26 90	-	-	715 49
Ocracoke	600 00	-	-	-	1,000 00	744 80	-	-	9 10	-	-	2,353 90
Edenton	558 47	-	-	-	308 77	-	-	-	102 85	-	-	970 10
Wilmington, N. C.	2,311 64	\$150 00	250 00	-	408 69	1,466 64	\$87 50	-	146 23	-	-	4,820 70
Beaufort, S. C.	-	-	-	-	250 00	-	-	-	-	-	-	250 00
Georgetown, S. C.	136 70	-	-	-	253 74	-	-	-	39 29	-	-	429 73
Charleston	31,413 24	-	-	3,761 57	2,256 94	2,922 70	15,818 71	1,095 00	1,362 29	\$626 00	-	59,256 45
Savannah	13,007 41	150 00	916 50	3,175 50	660 06	1,474 61	9,570 13	1,257 22	244 12	-	-	30,455 55
St. Mary's	458 00	-	349 87	-	500 00	1,811 36	793 13	255 00	18 13	-	-	4,185 49
St. Augustine	1,249 52	-	-	-	500 00	879 56	-	299 46	11 91	-	-	2,960 45
Key West	3,081 06	-	-	280 00	1,600 50	1,374 42	8,605 46	-	105 87	-	-	15,047 31
St. John's	1,760 00	-	-	-	500 00	360 00	-	300 00	22 25	-	-	2,942 25
Appalachicola	3,150 76	-	-	-	625 96	949 53	-	250 00	56 90	-	-	5,033 15
St. Mark's	2,742 00	-	-	10 00	516 75	1,476 50	-	299 85	12 61	-	-	5,057 71
Pensacola	1,095 00	-	-	-	500 00	1,046 01	-	283 32	68 32	-	-	2,992 65
Mobile	11,255 40	-	-	675 00	2,039 65	-	12,681 93	-	299 83	-	-	26,951 81
Teche	432 00	-	-	-	125 89	658 72	-	125 00	7 60	-	-	1,349 21
New Orleans	93,737 82	250 00	1,433 22	5,323 10	12,551 46	8,899 01	20,223 46	3,595 98	1,797 35	1,460 00	-	149,271 40
Pearl River	-	-	-	-	93 75	-	-	-	1 75	-	-	95 50
Natchez	-	-	-	-	505 04	-	-	120 00	3 57	-	-	628 61
Vicksburg	-	-	-	-	500 00	-	-	-	-	-	-	500 00
Nashville	-	-	272 73	-	-	-	-	-	2 57	-	-	275 30
Louisville	-	-	444 41	-	-	-	-	50 00	13 29	-	-	507 70
St. Louis	-	-	546 60	-	-	-	-	130 13	212 72	-	-	889 45
Cincinnati	-	-	350 00	-	65 61	-	3,656 47	-	25 91	-	-	4,097 99

Miami	-	1,100 00	-	-	-	325 44	-	-	160 00	1 63	-	-	1,587 07
Sandusky	-	1,250 00	-	-	-	405 59	196 02	-	100 00	84 59	-	-	2,036 20
Cuyahoga	-	2,621 96	-	-	-	571 26	-	-	250 00	14 29	-	-	3,457 51
Detroit	-	9,950 50	-	-	-	1,586 39	122 84	-	212 50	198 96	-	-	12,071 19
Michilimackinac	-	640 00	-	-	-	837 64	-	-	-	61 65	-	-	1,539 29
Galveston	-	1,232 64	-	1,435 17	20 00	123 44	264 12	-	74 66	1,012 77	-	-	4,162 80
Total	-	960,397 98	1,549 91	17,385 56	164,435 02	116,413 50	83,871 06	497,855 01	44,148 48	101,404 12	6,583 27	12,000	2,006,043 91

The above statement is designed to show the expenses of collection (paid at the custom-houses) for the year ending June 30, 1846, which have been allowed by the accounting officers, for services rendered during the year. It does not include suspended items for services for former years, nor those not allowed for said year.

R. H. GILLET, Register.

TREASURY DEPARTMENT, Register's Office, December 5, 1846.

B.

TREASURY DEPARTMENT, *March 16, 1846.*

SIR: In my letter of the 23d of February last to you, the statement was made that the expense of collecting the revenue could be reduced \$537,864 below the expenditure of the last fiscal year. To insure this result, I respectfully recommend that a clause be inserted in the new tariff bill, limiting the expenses of collecting the revenue under that bill to a sum not exceeding \$1,520,000.

The sum expended in collecting the revenue is now almost exclusively within the discretion of the Secretary of the Treasury. The payments are frequently made merely upon his written order, without the intervention of those checks appertaining to the liquidation of other accounts, and the payments are not regulated by specific appropriations made by law, as in other cases. In my opinion the expenses incident to the collection of the revenue should be regulated by specific appropriations, and the payments made subject to the checks applicable to the settlement of other accounts.

This great reform can only be introduced by the legislation of Congress; but if you think proper to require the co operation of this department, it will be cheerfully granted.

Most respectfully, your obedient servant,

R. J. WALKER,
Secretary of the Treasury.

Hon. JAMES J. McKAY,
Chairman of the Committee of Ways and Means.

C.

TREASURY DEPARTMENT, *May 25, 1846.*

SIR: Having been informed by you that the suggestions made in my letter of the 16th of March last, so far as required the limitation of the expenses incident to the collection of the revenue, and the regulation of the same by law, met the approbation of the Committee of Ways and Means, I enclose a provision for carrying these suggestions into effect.

This provision, it is believed, should be appended as a new section to the bill reported to the committee for reducing the duties on imports.

If that bill should not become a law, and the provisions of the present tariff remain unaltered, the expenses incident to the collection of the revenue, including drawbacks, fishing bounties and allowances, cannot, with safety, be limited to the sums now proposed by this department.

I am, very respectfully, your obedient servant,

R. J. WALKER,
Secretary of the Treasury.

Hon. JAMES J. McKAY,
Chairman of the Committee of Ways and Means.

Be it further enacted, That the amount to be disbursed in payment of the expenses incidental to the collection of the revenue shall not exceed in the whole, for the fiscal year ending the 30th of June, 1847, or for any fiscal year succeeding, the sum of one million five hundred and twenty thousand dollars, and that the Secretary of the Treasury shall have full power to diminish any branch or item of said expenditures so as to bring the aggregate amount within the limitation above mentioned, and that hereafter the whole gross amount of the public moneys, by whomsoever received or collected, shall be paid into the treasury; and all expenses incident to the collection of the revenue, not exceeding the amount above stated, shall be paid out of any moneys in the treasury not otherwise appropriated, and the accounts thereof shall be rendered to the proper accounting officers of the treasury for adjustment by them.

That the Secretary of the Treasury, in compliance with a resolution of the House of Representatives of the 31st December last,

do hereby certify that on February 3, 1847, he reported to the Committee of Finance and Currency of the House of Representatives the following information:

TREASURY DEPARTMENT.
February 3, 1847.

That on the 31st December last, a resolution was adopted by the House of Representatives: "Resolved, That the Secretary of the Treasury be directed to report to this House, with all convenient dispatch, whether any person or persons have at any time between the 1st day of March, 1845, and the 1st day of December last, been employed as secret inspectors of the customs, or as clerks, or in any capacity other than ordinary officers, the name or names of all persons so employed, the collection district in which he or they were employed, when and by whom appointed, what salary he or they have received, the amount of the proceeds of the duty collected by each person, the amount he or they have received for commissions, allowed and paid, and, or paid to each, the aggregate of all paid, and the amount of expenses allowed or paid to each; wherefore find out where each and all of the said persons such appointments were made, and when payment made."

For the purpose of the information which was called for by this resolution, being within the personal knowledge of the Secretary of the Treasury, the information was obtained, within a short period of the adoption of a report to me by the First Comptroller of the Treasury, in which including the First Auditor, the law assigns the duty of registering the accounts of the collectors of the customs by whom inspectors are paid. Information was not sent by the Secretary of the Treasury, nor was the accounts rendered to him. I have never appointed an inspector of the customs, nor have I ever adjusted the accounts of any such officer. The persons called secret or confidential inspectors are, in truth, only inspectors of the revenue, appointed and paid in the same manner as other inspectors.

It is further enacted That the amount to be disbursed in payment of the expenses incident to the collection of the revenue shall not exceed in the whole for the year ending the 30th of June 1867, or for any year subsequent, the sum of one million five hundred and twenty thousand dollars; and that the Secretary of the Treasury shall have full power to disburse any sum or sums of such a number as he may deem proper, not exceeding the amount of the revenue actually received or collected, shall be paid into the Treasury, and all expenses incurred to the collection of the same, not exceeding the amount above stated, shall be paid out of any moneys in the Treasury not otherwise appropriated; and the amount thereof shall be reported to the proper accounting officer of the Treasury for adjustment by him.

And it is further enacted That the Secretary of the Treasury shall have full power to disburse any sum or sums of such a number as he may deem proper, not exceeding the amount of the revenue actually received or collected, shall be paid into the Treasury, and all expenses incurred to the collection of the same, not exceeding the amount above stated, shall be paid out of any moneys in the Treasury not otherwise appropriated; and the amount thereof shall be reported to the proper accounting officer of the Treasury for adjustment by him.

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